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ADMINISTRATIVE AND BUDGETARY MATTERS

Administrative and programme support costs of the United Nations International Drug Control Programme

Revised estimates for the biennium 1992-1993 and Proposed outline for the biennium 1994-1995

Report of the Advisory Committee on Administrative and Budgetary Questions **

1. Pursuant to the request contained in paragraph 3 of General Assembly resolution 46/185 C Part XVI, the Advisory Committee on Administrative and Budgetary Questions has considered the revised estimates of the administrative and programme support costs of the United Nations International Drug Control Programme for the biennium 1992-1993 and the proposed budget outline of administrative and programme support costs for the biennium 1994-1995 (E/CN.7/1993/5). The Committee did not have the opportunity to benefit from a meeting with the representatives of the Executive Director of the Programme during the course of its consideration of the document. However, the Committee did have occasion to consider the draft document during its Fall 1992 session and had conveyed its preliminary comments to the Executive Director of UNDCP.

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* E/CN.7/1993/1.

** This document has not been formally edited.

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Budget cycle

2. The Committee recalls that in its preliminary comments conveyed to the Executive Director in Fall 1992, the Committee had stated:

> "While appreciating the special circumstances and needs of the UNDCP, the Advisory Committee urges that ways and means be explored, not only to better synchronize the UNDCP budget cycle with the rest of the United Nations but also for the Commission on Narcotic Drugs to ensure that the UNDCP secretariat is provided with a legal basis for authorizing expenditures during the first four months of the first year of the biennium. In this connection, the Advisory Committee reiterates its recommendation that "the Commission should approve the budget of the Programme and the administrative and programme support costs budget in odd numbered years"."

3. The Committee has now received the Executive Director's note (E/CN.7/1993/5/Add.1) outlining options for synchronization of the UNDCP budget cycle with the rest of the United Nations. Based on its views and recommendations as stated above as well as in several past reports, the Committee believes that Option C as outlined in the Executive Director's note would best meet the objectives of the synchronization exercise, subject to a review of its application after two years in light of experience.

4. In this regard the Advisory Committee has the following comments: The Committee trusts that stringent measures will be exercised to ensure maximum economies in implementing Option C, specifically with regard to travel and conference servicing costs. Furthermore, the Committee trusts that the biennial reconvening of the Commission for the purpose of approving the initial programme budget would not preclude the usefulness of informal consultations of the Commission.

Format and presentation

5. The Advisory Committee notes from paragraph 145 of the document that UNDCP has endeavoured to base its revised programme budget of the Fund on the prototype of the new budget format to be adopted by the United Nations. In this connection, the Advisory Committee draws attention to the comments it made in the context of its initial examination of the format to be adopted by the United Nations. (A/47/7/Add.9 paras. 15-19).

6. While the Advisory Committee appreciates the efforts made by UNDCP in the preparation of the budget document and particularly its efforts in following the recommendations of the Committee, the

Committee nevertheless believes that there is still room for improvement. For example, it could be improved by further efforts to integrate the narrative portion with the tabular presentation, and the current sections comprising the introduction, overview and parts of the programme of work could be combined, while the sections on the financial situation and income and expenditures could be moved to the beginning of the document.

7. In its report to the thirty-fifth session of the Commission on Narcotic Drugs (E/CN.7/1992/12/Add.3) the Advisory Committee recalls that it had requested that in its future budget presentations, UNDCP fully identify and properly classify all costs relating to services such as general operating expenses, programme support costs, field operations support, and administrative and programme support costs; there is a need for clearly identifying the full cost of supporting the programme. The Advisory Committee does not believe that it has been provided with this information in the present submission and therefore reiterates its request.

8. The Advisory Committee recalls that on the subject of programme support income it had recommended that a mechanism be devised whereby administrative costs are charged to funds earmarked for specific projects; more than 65 per cent of the extrabudgetary resources available to the Fund are earmarked. In this regard the Committee notes the formula described in paragraph 125 of the document whereby administrative costs will be charged to funds for specific projects. The formula appears to be fairly complicated and the Committee intends to monitor its implementation. It also expects a better explanation of the rationale used for the various calculations, in the context of the current practice of the other programmes and projects supported by the United Nations system and the objective to promote government execution (see General Assembly resolution 47/199, para. 15).

9. Notwithstanding the additional information provided, the Committee believes that a number of the concerns expressed by the Committee have not been adequately addressed. The Committee points out that document E/CN.7/1993/5 does not satisfactorily respond to resolution 13 (XXXV) of the Commission on Narcotic Drugs (CND), on the methodology to be followed by the UNDCP particularly with reference to all of the requirements of paragraph 3 of the resolution. In the light of the upcoming in-depth evaluation of the multilateral cooperation for drug control, it is particularly important to include in the programme budget document information on the general criteria applied in the utilization of resources as well as a description of the goals and objectives of the programmes and activities covered in the budget.

10. The Committee believes that there is insufficient information with regard to the various trust funds or earmarked contributions. Given the fact that approximately 65 per cent of the resources are earmarked, in order to make an assessment of whether the related resources for staffing and

other administrative items are being efficiently utilized, these earmarked resources have to be better identified in the document. The Advisory Committee recalls regulation 7.3 of the Financial Regulations and Rules of the United Nations, which indicates that moneys accepted for purposes specified by the donor shall be treated as trust funds or special accounts, and regulations 6.6 and 6.7 which indicate that trust funds and special accounts established by the Secretary-General shall be reported to the Advisory Committee with a clear definition of their purposes and limits. In this regard, the Committee expects that the programme budget will include the information specified in sub para. (c) of paragraph 3 of resolution 13 (XXXV) of the Commission on Narcotic Drugs.

11. Additionally, the Committee believes that a better defined link as to the relationship and interaction between regular budget resources, Fund resources and the related activities, should be reflected in the document.

Revised budget estimates for 1992-1993

12. Annex IV of the document outlines budget methodology and assumptions for the calculation of the financial estimates shown in the document as well as the relationship and terminology between the old and the new budget lines in the new budget structure adopted by the UNDCP.

13. As shown in paragraph 147 of the budget document, the initial approved estimate of $180,346,500 has been reformulated to show the initial approved budget, in accordance with the new structure, as $179,440,500. The major feature in this reformulation is the elimination of the contingency reserve of $1,000,000. This is explained in paragraph 149 of the document.

14. As shown in Table 1 of the document, as compared with the reformulated approved Fund budget of $179,440,500 the revised estimates show a total increase of $7,221,500 of which $6,525,700 is for resource growth and $695,800 is for recosting. The revised estimates cover requirements for policy making organs, executive direction and management, programme of work and programme support.

15. Table 3 of the budget submission indicates that the total current staffing of UNDCP comprises 71 regular budget posts (43 at the professional level and 28 at the General Service levels), while the Fund budget consists of 67 posts (34 at the professional level and 33 at the General Service levels). Additionally, Table 9 shows a revised number of 37 UNDCP field operations posts.

16. As proposed in paragraph 19 of the submission there is a request for reclassification of one P-3 post to P-4, and in paragraph 30, reclassification of two P-2 posts to P-3 has been requested. It is the Committee's view that reclassification of posts should not be considered in the course of a current budget programme and should be requested in a new budget proposal.

17. In its report to the thirty-fifth session of the Commission on Narcotic Drugs (E/CN.7/1992/12/Add.3) the Advisory Committee had recommended that the proposed increase of four posts in 1992 and an additional four in 1993 be authorized on a temporary basis for the biennium. In paragraph 30 of the submission the Executive Director has now requested an additional P-4 post, while in paragraph 109 an additional P-4 post and two General Service posts have also been requested.

18. In its preliminary comments conveyed to the Executive Director in Fall 1992, the Advisory Committee had stated that the Committee did not believe that there was sufficient justification at that time for an increase in the strength of Headquarters personnel although some justification could be found for the increase in field personnel. The Advisory Committee also points out that in General Assembly resolution 46/185 C, section XVI, paragraph 4, the Secretary-General has been requested to consider ways and means to streamline the structure of the UNDCP and to report to the Assembly. This report is scheduled to be submitted to the forty-eighth session of the General Assembly.

19. In view of the above, and while the Advisory Committee sees merit in at least some of the posts being proposed, especially the P-4 post proposed for the unit on South East Asia (see paragraph 30 of the document), the Advisory Committee does not believe that at the present time additional posts, especially at Headquarters, should be created on a permanent basis. Following consideration by the General Assembly of the Secretary-General's report on streamlining the structure of UNDCP, the Executive Director can, if necessary, make further proposals for the provision of these functions either through redeployment of posts or through creation of additional posts.

Proposed outline for 1994-1995 biennium

20. The Advisory Committee welcomes the Executive Director's initiative in presenting the proposed outline for the 1994-1995 biennium. The Committee trusts that UNDCP will ensure that the outline is a concise document and will not be presented as if it were a detailed budget proposal. The outline should, *inter alia*, reflect current and projected income and expenditure and a broad allocation of resources in terms of the priorities of the programme. The Advisory Committee also has some doubts as to the value of presenting an outline in the same year as the budget is presented (i.e. presenting, as envisaged under Option C, a revised outline for 1996-1997 in the Spring of 1995 and the initial programme budget for 1996-1997 in the Fall of 1995).